Pelita Samudra Pertama (M) Sdn Bhd v Venkatasamy a/l Sumathiri (Registrar of Trade Marks and Patents, interested party)

HIGH COURT (KUALA LUMPUR) — CIVIL SUIT NO D25IP-10–12 OF 2011
HANIPAH FARIKULLAH JC
19 JUNE 2012

Civil Procedure — Irregularity — Undated statutory declaration ('SD') — Preliminary objection raised by respondent against appellant's SD — Whether irregularity went to substance of appellant's application — Whether failure to date SD caused prejudice to respondent

Trade Marks — Passing of — Elements of — Whether ingredients of goodwill, misrepresentation and damage present — Whether appellant had acquired goodwill in trademark — Whether there was confusion and deception in market — Whether respondent attempted to ride on goodwill and reputation of appellant — Whether appellant had suffered or was likely to suffer damage to its business or goodwill — Whether appellant succeeded in establishing passing off

The appellant, whose main business was the manufacture, production and sale of food and beverage items at its restaurants, was the common law proprietor of the word 'PELITA' and the use of the distinctive 'PELITA device' of an oil lamp ('the Pelita trademarks') for restaurant services and allied products and services in Malaysia. The respondent had applied for the registration of its trademark, which had utilised the word 'PELITA' and an oil lamp ('the respondent's trademark') for curry powder in respect of, inter alia, 'curry powders, crackers, candies, cereals, spices, coffee, tea, rice, sugar, flour and bread'. The appellant opposed the registration of the respondent's trademark, but the Registrar of Trade Marks and Patents ('the registrar') dismissed the objections and allowed the registration of the respondent's trademark. This was the appeal by the appellant from the registrar's decision. The appellant contended that there were striking, visual, phonetic and conceptual, similarities between both marks. The appellants thus submitted that the use of the respondent's trademark to a related product would cause confusion and deception in the marketplace and also cause damage to the goodwill and reputation in the appellant's Pelita trademarks. The respondent maintained that its mark was distinctive and capable of being distinguished from the Pelita trademarks. At the hearing of the appeal, the respondent raised the preliminary objection that the appellant's statutory declaration ('SD') filed in support of its opposition to the registration of the respondent's trademark should not be taken into consideration as it was

undated. The respondent submitted that this defect in the SD was not a mere irregularity but that it went to the substance of the appellant's application. The appellant responded that the defect was not fatal to the admissibility of the SD.

Held, allowing the appeal with costs of RM10,000:

(1) After due consideration of the authorities cited by the parties and having applied them to the facts of the present case, this court was of the view that the preliminary objection should be overruled as the defect was not fatal and it would not prejudice the respondent. In the present case, the respondent had not shown that the failure to state the date in the SD had caused prejudice (see paras 22–23).

(2) This court was satisfied that there was sufficient evidence that the appellant had established goodwill and reputation in the Pelita trademarks in Malaysia. The appellant had adduced documentary evidence to establish that the Pelita trademarks had become famous through extensive use by the appellant since 1985 to date. As such, the Pelita trademarks were distinctive of the appellant and the irresistible logical conclusion to be drawn from the respondent's actions was that the respondent was attempting to ride on the goodwill and reputation of the appellant (see paras 30–33, 35,36 & 52).

(3) This court was of the view that the similarities between both marks were striking, visually, phonetically and conceptually. The effect of the respondent utilising the words PELITA and using a device similar to the appellant and modifying its device to resemble the appellant's Pelita Logo and further utilising a similar colour scheme as that employed by the appellant was such that prospective customers would be misled into believing that an association existed between the appellant and the respondent. In any case, the appellant need not prove actual confusion and mere proof of a possibility of association would be sufficient. In the present case it was accepted that the appellant had exhibited sufficient proof of its renown in the Pelita trademarks for restaurant services and it could be logically assumed that customers could be deceived and confused into believing that the respondent's goods were linked to the appellant's business, trademarks or restaurants (see paras 39–41, 46-48 & 53).

(4) In the present case, there would be damage to the goodwill and reputation of the appellant if the respondent's products did not meet the quality of the appellant's products. Such lack of quality would be attributable to the appellant and thereby result in a loss to the latter's goodwill and reputation (see paras 50–51).

[Bahasa Malaysia summary

Perayu, yang perniagaan utamanya adalah pembuatan, pengeluaran dan penjualan barangan makanan dan minuman di restoran-restorannya, merupakan pemilik *common law* perkataan 'PELITA' (common law proprietor) dan penggunaan tersendiri 'peralatan PELITA' iaitu lampu minyak ('cap dagangan Pelita') untuk perkhidmatan restoran dan produk dan perkhidmatan seumpama dengannya di Malaysia. Responden telah memohon untuk mendaftarkan cap dagangannya yang menggunakan perkataan 'PELITA' dan sebuah lampu minyak ('cap dagangan responden') untuk serbuk kari yang digunakan, antara lainnya, 'serbuk kari, keropok, gula-gula, bijirin, rempah-ratus, teh, beras, tepung dan roti'. Perayu membantah pendaftaran cap dagangan responden tetapi Pendaftar Cap Dagangan dan Paten ('pendaftar') menolak bantahan tersebut dan membenarkan pendaftaran cap dagangan responden. Ini merupakan rayuan oleh perayu terhadap keputusan pendaftar. Perayu berhujah bahawa terdapat persamaan yang ketara dari segi visual, fonetik dan konsep di antara kedua-dua cap tersebut. Oleh itu, perayu mendakwa bahawa penggunaan cap dagangan responden kepada produk berkenaan akan mengakibatkan kekeliruan dan penipuan di dalam pasaran dan juga merosakkan nama baik dan reputasi cap dagangan Pelita perayu. Responden menegaskan bahawa capnya adalah berbeza dan boleh dibezakan daripada cap dagangan Pelita. Pada pendengaran rayuan itu, responden mengemukakan bantahan awal bahawa, akuan berkanun ('AB') perayu yang difailkan bagi menyokong bantahannya untuk pendaftaran cap dagangan responden tidak seharusnya diambilkira memandangkan ianya tidak bertarikh. Responden menghujah bahawa kecacatan dalam AB ini bukannya satu ketidakaturan semata-mata tetapi ia merupakan asas permohonan perayu. Perayu membalas dengan menyatakan bahawa kecacatan tersebut tidak menjejaskan penerimaan AB.

Diputuskan, membenarkan rayuan dengan kos RM10,000:

(1) Selepas mempertimbangkan sedalam-dalamnya autoriti-autoriti yang dipetik oleh pihak-pihak dan mengaplikasikannya kepada fakta-fakta di dalam kes ini, mahkamah ini berpendapat bahawa bantahan awal seharusnya ditolak memandangkan kecacatan tersebut bukannya serius (fatal) dan ianya tidak akan memprejudiskan responden. Dalam kes ini, responden tidak menunjukkan bahawa kegagalan untuk menyatakan tarikh di AB mengakibatkan prejudis (lihat perenggan 22–23).

(2) Mahkamah ini berpuas hati bahawa terdapat keterangan mencukupi bahawa perayu telah membuktikan nama baik dan reputasi dalam cap dagangan Pelita di Malaysia. Perayu telah mengemukakan keterangan dokumentari untuk membuktikan bahawa cap dagangan Pelita telah menjadi terkenal melalui penggunaan meluas oleh perayu sejak 1985 sehingga kini. Oleh itu, cap dagangan Pelita bersifat tersendiri oleh perayu dan kesimpulan logik yang boleh didapati daripada tindakan

responden adalah responden cuba untuk menumpang nama baik dan reputasi perayu (lihat perenggan 30–33, 35, 36 & 52).

(3) Mahkamah ini berpendapat bahawa persamaan kedua-dua cap adalah jelas dari segi visual, fonetik dan konsep. Kesan responden menggunakan perkataan PELITA dan menggunakan peralatan sama dengan perayu dan mengubah peralatannya untuk menyerupai logo Pelita perayu dan kemudiannya menggunakan skema warna yang sama seperti yang digunakan oleh perayu adalah supaya bakal pelanggan dikelirukan untuk mempercayai bahawa terdapat kaitan di antara perayu dan responden. Dalam mana-mana kes, perayu tidak perlu membuktikan kekeliruan sebenar dan hanya bukti mengenai kemungkinan perkaitan adalah mencukupi. Dalam kes ini, mahkamah menerima bahawa perayu telah menunjukkan bukti mencukupi bahawa cap dagangan Pelita dikenali untuk perkhidmatan restoran dan adalah logic untuk mengandaikan pelanggan-pelanggan boleh ditipu dan dikelirukan untuk mempercayai bahawa barangan responden berkait dengan perniagaan, cap dagangan atau restoran perayu (lihat perenggan 39–41, 46–48 & 53).

(4) Dalam kes ini, nama baik dan reputasi perayu akan rosak sekiranya produk responden tidak menepati kualiti produk perayu. Kekurangan kualiti akan disabitkan kepada perayu dan oleh itu mengakibatkan kerugian kepada nama baik dan reputasi perayu (lihat perenggan 50–51).]

Notes

For cases on element of passing off, see 12 *Mallal's Digest* (4th Ed, 2011 Reissue) paras 2363–2376.

Cases referred to

Annabel's (Berkeley Square) Ltd v G Schock (trading as Annabel's Escort Agency) [1972] RPC 838, CA (folld)

Chua Liong Hai & Ors v Lian Soon Industries Sdn Bhd [2004] 8 CLJ 117, HC (refd)

Clock Ltd v Clock House Hotel Ltd (1936) 53 RPC 269, CA (refd)

Ewing v Buttercup Margarine Ltd [1917] 2 Ch 1, CA (refd)

HP Bulmer Ltd & Showerings Ltd v J Bollinger SA & Champagne Lanson Pere et Fils [1976] RPC 79, CA (refd)

Ipmuda Trading Sdn Bhd v Khoo Kiat Piau t/a Ying's Trading Co & Anor [1996] 5 MLJ 637; [1997] 1 CLJ Supp 158, HC (refd)

MBf Capital Bhd & Anor v Tommy Thomas & Anor [1999] 1 MLJ 139; [1998] 2 CLJ Supp 487, HC (refd)

Mokhtar bin Amin v Mohamed Mokhtar bin Omar [2001] 4 MLJ 329, CA (folld)

Pakai Industries Bhd v Chen Yew Industries Sdn Bhd [1991] 2 CLJ 1574, HC (refd)

Syarikat Amin Enterprises v Edwina Lau [2007] MLJU 314; [2007] 10 CLJ 743, HC (refd)

Syarikat Zamani Hj Tamin Sdn Bhd & Anor v Yong Sze Fun & Anor [2006] 5 MLJ 262, HC (refd)

The Scotch Whisky Association v Ewein Winery (M) Sdn Bhd [1999] 6 MLJ 280, HC (refd)

United Malayan Banking Corp Bhd v Ernest Cheong Yong Yin [2001] 1 MLJ 561; [2001] 2 CLJ 31, CA (refd)

Upmarket Development Sdn Bhd v Sriera Development Sdn Bhd [2011] 4 MLJ 681; [2011] 6 CLJ 137, FC (refd)

Warnink v Townend & Sons [1979] AC 731, HL (refd)

Yong Sze Fun & Anor (t/a Perindustrian Makanan & Minuman Layang-Layang) v Syarikat Zamani Hj Tamin Sdn Bhd & Anor [2012] 1 MLJ 585, CA (folld)

Legislation referred to

Trade Marks Act 1976 ss 10, 14, 14(1), (1)(a), 19(1), (1)(a), 25(1), 82(2)

M Raj Kumar (Law Raj Teh & Partners) for the appellant.
S Malliga (Malliga & Associates) for the respondent.

Hanipah Farikullah JC:

INTRODUCTION

[1] This is an appeal by the appellant from the decision of Registrar of Trade Marks and Patents on 14 November 2011 dismissing the opposition proceeding by the appellant ('Pelita Samudra') and allowing the registration of the respondent's trademark application No 04001902.

[2] In gist, the registrar held that the respondent's trademark application No 04001902 for 'PELITA & PELITA DEVICE' if permitted for registration would not contravene ss 14(1)(a), 19(1)(a) and 25(1) of the Trade Marks Act 1976; and that there was no element of passing off.

[3] The appellant alleged that they are the common law proprietor of the Pelita trademarks for restaurant services and allied products and services in Malaysia. The main business of the appellant is the manufacture, production and sale of food and beverage items at its restaurant.

[4] The appellant is the applicant for the trademark application No 04003226 for 'Pelita Nasi Kandar' and 'device' in class 43 in Malaysia in respect of 'restaurant for nasi kandar, nasi dalca, meat, fish, preserved, dried and cooked food in class 43' ('the said services').

[5] It is the appellant's case that they also produce and offer for sale goods and services by reference to, inter alia, the following trademarks:

(a) the use of the distinctive 'PELITA device'; and

(b) the word 'PELITA'.

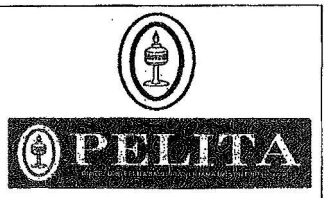
[6] The appellant also produces and offers for sale the plaintiff's goods and services by affixing on it the appellant's trademarks (the said 'get-up'). The appellant ailged that it is a distinctive feature of the appellant's get-up that the appellant's Pelita trademarks are present and conspicously depicted in combination of the colours yellow and green as well as the purple/dark blue colour in combination with the colours yellow and green.

[7] At present, the appellant has in operation throughout Malaysia 23 restaurants ail bearing the said get-up and Pelita trademarks located throughout Malaysia, namely in Penang, Bukit Mertajam, Prai, Sungai Petani, Kulim, Ipoh, Kuala Lumpur, and Selangor. The appellant also has expanded its operation overseas and presently has one restaurant located in India.

THE RESPONDENT'S USE OF AN IDENTICAL/SIMILAR TRADEMARK

[8] The respondent had applied under trademark No 04001902 for the respondent's mark for curry powder in class 30 in respect of, inter alia, 'curry powders, crackers, candies, cereals, spices, coffee, tea, rice, sugar, flour, and bread'. The application mark (see below at para 9) was accepted and was sent for *Gazette* on 23 November 2006.

[9] In relation to this issue, the appellant contended that the similarities between both marks are striking; visually, phonetically and conceptually. The respective marks are as below:

Appellant's PELITA Logo in use since the year 1995	
Respondent's Trademark – applied for in Trademark Application No. No. 04001902	

[10] Thus, learned counsel for the appellant contended that the registration of the respondent's mark herein will cause confusion and deception in the marketplace, and that the respondent by the use of it's trademark in a related product is calculated to ride on the goodwill and reputation of the appellant's Pelita trademarks has caused and or will cause damage to the goodwill and reputation in the appellant's Pelita trademarks. This would contravene several sections of the Trade Marks Act 1976,notably the following:

(a) s 82(2) of the Act: (registration of the respondent's trademark would result in confusion and deception in the marketplace);

(b) ss 14(1) and 19(1) of the Act (registration of the respondent's trademark would result in confusion and deception in the marketplace);

(c) s 10 of the Act; (non-distinctiveness due to appellant's well known mark); and

(d) s 25(1) of the Act (the respondent is not the bona fide proprietor of the respondent's trademark).

[11] The respondent's contention on the contrary is that the mark applied by the respondent is not likely to deceive or cause confusion under s 14 of the Trade Marks Act and further states that the mark is distinctive and capable of distinguishing the respondent's goods in class 30.

PRELIMINARY OBJECTION

[12] Before I can deal with the appeal, I must first deal with the preliminary objection raised by the respondent. Learned counsel for the respondent contended that the appellant's statutory declaration filed on 15 July 2009 at the

registrar's office to support the opposition proceedings (exh K5) cannot be considered by this court as it is undated and thus it is not a mere irregularity and it goes to the substance of the appellant's application.

[13] In support of its contention, learned counsel for the respondent cited the following authorities.

[14] In the case of *pmuda Trading Sdn Bhd v Khoo Kiat Piau t/a Ying's Trading Co & Anor* [1996] 5 MLJ 637; [1997] 1 CLJ Supp 158, the court held as follows:

> It therefore follows that the defect in the affidavit of service here is not an irregularity in the form of the affidavit but is one that goes to the substances of it as the absence of the Commissioners for Oath's signature means that the document was not sworn as required and is thereby not an affidavit.

[15] The High Court in the case of *Chua Liong Hai & Ors v Lian Soon Industries Sdn Bhd* [2004] 8 CLJ 117 stated that:

> The affidavit in support does not contain an endorsement as to whose behalf it is filed and as to the dates of swearing & filing. The affidavit is therefore defective and contravenes O 25 r 30(2) of the SCR. The affidavit consequently cannot be used without the leave of the court.

[16] In *MBf Capital Bhd & Anor v Tommy Thomas & Anor* [1999] 1 MLJ 139; [1998] 2 CLJ Supp 487, the court held that:

> The second defendant's affidavit support of its application did not have the date on which it was affirmed. This was a clear violation of O 41 r 9(2) of the RHC which requires every affidavit to be endorsed with the dates of swearing and filing with the leave of court. In the present case no application for leave was made and the court was compelled to reject the said affidavit.

[17] On this issue, the appellant submitted that the defect in dating the statutory declaration is one of form only and not to content, and thus it is not fatal to the admissibility of the said document. Learned counsel for the appellant referred to the case of *Syarikat Amin Enterprises v Edwina Lau* [2007] MLJU 314; [2007] 10 CLJ 743 where the court held that:

> Before I can deal with the appeal, I must deal with the preliminary objection to this appeal. I find that the respondent's reliance on case which was decided in [2002] MLJ 232 does not reflect the contemporary procedural jurisprudence in this area of law. The courts are established to hear merits of the case and not to dismiss for non-compliance of rules. This has been repeatedly articulated by our apex courts from time to time, according to the exigency of cases. There are a plethora of

authorities. I have dealt with them in detail in my judgment in the case of OP-26–05 of 2006-II *Dato' Ting Check Sii v Datuk Hj Mohamad Tufail bin Mahmud & Ors* [2007] 1 LNS 107 (HC) delivered on 25 April 2007 and as the same principles apply here, I reproduce the relevant parts which read as follows:

In Malaysia, the Chief Justice Yang Amat Arif Tun Dato' Sri Ahmad Fairuz whilst sitting in Court of Appeal in the case of *United Malayan Banking Corporation Bhd v Ernest Cheong Yang Yin* [2001] 2 CLJ 31, has shown the lead and rightly said that procedural and technical objection must not be allowed to obstruct the process of giving justice.

Justice Abdul Hamid Mohamad FCJ sitting in the Court of Appeal in the case of *Hock Seng Construction Sdn Bhd & Anor v Yeoh Poh Owi & Anor* [2001] 4 CLJ 1, had boldly asserted that the main function of the court is to do justice and not just to dispose cases. Further, His Lordship stated that it was unjust to dismiss a matter without hearing merits simply because of the mistake of the solicitor in not complying with the rules.

Justice Gopal Sri Ram JCA had in *Mokhtar bin Amin v Mohamed Mokhtar bin Omar* [2001] 4 MLJ 329, placed the nail on the coffin in respect of procedural objections by stating that noncompliance of procedural requirements should not be treated as invalidating any action or proceeding or steps taken therein unless it occasions a substantial miscarriage of justice.

Further at p 754, the court said that:

The respondents in this case take serious objections to non-compliance and on the facts of this case it cannot be said it is not without merits. However, the cases which they have relied on do not reflect the contemporary thinking and approach taken by our apex court in this area of procedural jurisprudence. The distinction in the instant case is that an ample opportunity was given to the applicant to set out the grounds for the application and the applicant has refused to do so and proceeded to file the summons in chambers in breach of O 32 r 1 of the RHC 1980 and of Form 62.

[18] I was also referred to the case of *United Malayan Banking Corp Bhd v Ernest Cheong Yong Yin* [2001] 1 MLJ 561; [2001] 2 CLJ 31 where the Court of Appeal held that:

Assuming that we are tight In holding that the Bankruptcy Act and its rules are the applicable law, then the appellant had clearly not complied with the Act and its rules. On this matter, we are reminded of what Bowen LJ, said when he was dealing with the power of amendment in a letter's patent case of *Cropper v Smith* (1884) 26 Ch D 700.

At p 710 he said: Now it is true that under 15 & 16 Vict C 83, s 41, you must give notice of an objection to the validity of the patent if you wish to raise the objection, but there is a power even in that statute for a judge at chambers to amend, and to allow you at the last moment to cure any laches or error of judgment, and what a judge could do at chambers, a judge could do in court. Moreover, every power of

A amendment given by the Judicature Act seems to me to be applicable to this kind of suit as well as to any other. Now, I think it is a well established principle that the object of courts is to decide the rights of the parties, and not to punish them for mistakes they make in the conduct of their cases by deciding otherwise than in accordance with their rights. Speaking for myself, an in conformity with what I have heard laid down by the other division of the Court of Appeal and by myself as a B member of it, I know of no kind of error or mistake which, if not fraudulent or intended to overreach, the court ought not to correct, if it can be done without injustice to the other party. Courts do not exist for the sake of discipline, but for the sake of deciding matters in controversy, and I do not regard such amendment as a matter of favour or of grace.

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And at p 566 (MLJ), p 37 (CLJ), the Court of Appeal held:

In this connection we would also like to quote what this court had said in *Boustead Trading (1985) Sdn Bhd v Arab-Malaysian Merchant Bank Bhd* [1995] 4 CLJ 283, at p 293 ie: … After all, courts exist to do justice according to the law as applied *to the substantial merits of a particular case* … D

Kaikaus J, in *Imtiaz Ahmad v Ghulam Ali PLD* [1963] SC 382 at p 400 said: *Any system which* by giving effect to the form and not to the substance *defeats substantive rights is defective to that extent.* The ideal must always be a system that gives to every E person what is his. Bearing in mind the abovementioned authorities, I feel that the preliminary objection should not be allowed. The objection is indeed on a mere technicality. The notice of appeal had been filed anyway. Such procedural technical objection should not, in my view, be allowed to obstruct the process of giving justice to the deservings by going into the substantive issues of the matters before the court. Hence we overruled the preliminary objection.

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[19] In support of its contention on this point, learned counsel for the appellant also referred to the Federal Court decision in *Upmarket Development Sdn Bhd v Sriera Development Sdn Bhd* [2011] 4 MLJ 681; [2011] 6 CLJ 137 G where it was held that:

… as the respondent was neither prejudiced nor misled by the deviation found in the Form 19B used by the appellant, the deviation had no substantial effect.

H **[20]** The Federal Court then went further and held thus:

A liberal and more progressive approach should be taken in the interpretation of caveat forms. Various statutory provisions under the NLC and the Rules of the High Court 1980 — as well as common sense — supported this liberal interpretative I approach. The accompanying statutory declaration may also be looked at in determining the form's actual purport. The form should not, therefore, be viewed in isolation. In this instance, the appellant had candidly admitted that a wrong form (ie, the old version) had been used in its application but maintained that substantially there had been conformity with the old form, with which this court agreed.

[21] It is noted that the statutory declaration (exh K5) was sworn before a Commissioner for Oath and this was confirmed by the Commissioner of Oath himself, Yahya bin Abdul Rahman via his own statutory declaration dated 15 March 11 (exh K11).

[22] In the light of the above authorities cited by the parties and having applied them to the facts of the present case, I am of the view that the preliminary objection should be overruled as the defect is not fatal and it will not prejudice the respondent. In the present case, the respondent has not shown that the non-compliance to state the date in the statutory declaration has caused prejudice.

[23] Thus the 'noncompliance of procedural requirements should not be treated as invalidating any action or proceedings unless it occasions a substantial miscarriage of justice'. (*Mokhtar bin Amin v Mohamed Mokhtar bin Omar* [2001] 4 MLJ 329 followed.)

[24] Now I will deal with the merits of the case.

PASSING OFF

[25] Many authorities were cited to me on the passing off by both parties. I do not find it necessary to refer to all.

[26] The classic form of misrepresentation giving rise to an action in passing off is a misrepresentation by the defendant that his goods are the goods of the plaintiffs. But that is no longer the only form of passing off. It is passing off to misrepresent that one's business is that of the plaintiffs, or connected with that of the plaintiffs, in any way likely to cause damage. As stated by Romer LJ in *Clock Ltd v Clock House Hotel Ltd* (1936) 53 RPC 269:

> … no man is entitled to carry on his business in such a way or by such a name as to lead to the belief that he is carrying on the business of another man or to lead to the belief that the business which he is carrying on has any connection with the business carried on by another man.

[27] Lord Diplock in *Warnink v Townend & Sons* [1979] AC 731 (at pp 741–742) held that:

> where although the plaintiff and the defendant were not competing traders in the same tine of business, a false suggestion by the defendant that their businesses were connected with one another would damage the reputation and thus the goodwill of the plaintiff's business.

[28] If a trade name suggests that the defendant's business is an extension, branch or otherwise connected with the plaintiffs' business, the plaintiffs could have a remedy in passing off (see *Ewing v Buttercup Margarine Ltd* [1917] 2 Ch 1).

[29] It is trite that in any passing off action, a plaintiff must establish (i) goodwill; (ii) misrepresentation; and (iii) actual or potential damage.

THE PLAINTIFF'S GOODWILL AND REPUTATION

[30] I am satisfied that there are sufficient evidence that the appellant have established goodwill and reputation in the 'Pelita' trademarks in Malaysia. In my view, the 'Pelita' trademark has been distinctive of the appellant.

[31] Based on the facts presented, the appellant produces and offers for sale the appellant's goods and services by reference to the following trademarks: (i) The use of distinctive 'PELITA device' of an oil lamp; and (ii) The word 'PELITA'.

[32] In relation to this, the extensive use of the appellant's 'Pelita' trademarks can be seen in the photographs of the appellant's restaurants and signage at exhs 'KKS4', 'KKS5', and 'KKS15' to the appellant's SD2.

[33] It is pertinent to note the prominence to the word 'PELITA' in exh 'KKS4' and 'KKS5' to the appellant's affidavit in SD2.

[34] The appellant has been extensively utilising the appellant's Pelita trademarks since 1995 and the appellant's total cumulative sales from 1995 to the date of filing the last SD2 in 2008 was RM160m (exh 'KKS5').

[35] Further, I accept that appellant's submission the appellant's trademarks have become famous and its extensive use since 1995 to date as proved by the following documents:

(a) copies of advertisements and promotional materials showing use of the appellant's Pelita trademarks are at exh KKS6 to appellant's SD1;

(b) extensive advertising and promotional expenses totaling RM298,339.40 from 1995–2006 are at para 9 SD1 and exh 'KKS7 and KKS8' thereto;

(c) materials and utensils and uniform all depicting the appellant's Pelita trademark are at exh 'KKS2' to the appellant's SD2;

(d) uniforms worn by all employees at 20 outlets are at exh 'KKS3' to appellant's SD2;

(e) the appellant's audited annual accounts are at exh KKS9 to the appellant's SD2; and

(f) the appellant's annual turnover is RM308m in aggregrate total since 1995 to date-para 14 of the appellant's SD1.

[36] Thus, the above evidence of use is sufficient to establish that the appellant has sufficient goodwill and reputation in the Pelita trademarks in Malaysia. The appellant's mark has become well distinctive of the appellant.

MISREPRESENTATION

[37] In the case of *Pakai Industries Bhd v Chen Yew Industries Sdn Bhd* [1991] 2 CLJ 1574, Zakaria Yatim J said that the central to the requirements of misrepresentation would be the issues pertaining to confusion and deception.

[38] In the case of *Syarikat Zamani Hj Tamin Sdn Bhd & Anor v Yong Sze Fun & Anor* [2006] 5 MLJ 262, it was held as follows:

> Misrepresentation in the passing off sense is a false representation on the part of the defendant which causes damage to the goodwill and reputation of the plaintiff through an unlawful association created between the defendant and the plaintiff. As set out by Lord Parker in *Spalding v Gamage* at p 450:
>
> > The basis of a passing off action being a false representation by the defendant, it must be proven In each case as a fact that the false representation has been made. It may, of course, have been made in express words, but cases cf express misrepresentation of this sort are rare. The more common case is where the representation is implied in the use or imitation of a trademark, trade name or get-up with which the goods of another are associated in the minds of the public
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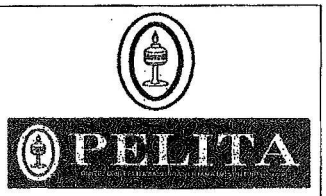
> In the case of *Reckitt & Coiman Product Ltd v Borden Inc & Ors* it was held by Lord Oliver in the House of Lords judgment at p 880 of the report that misrepresentation relates to representation by the defendant to the public (whether or not intentional) leading or likely to lead the public to believe that the goods and services offered by him are goods and services of the plaintiff.

[39] As I have stated earlier, the respondent had applied for the respondent's mark for curry powder in class 30 in respect of, inter alia, 'curry powders, crackers, candies, cereals, spices, coffee, tea, rice, sugar, flour, bread'.

[40] In relation to this issue, the similarities between both marks are striking; visually, phonetically and conceptually. For the ease of reference, I shall reproduce both marks:

Appellant's PELITA Logo in use since the year 1995	
Respondent's Trademark – applied for in Trademark Application No. No. 04001902	

[41] In my view, the effect of the respondent utilising the words 'PELITA' and using a device similar to the appellant and modifying its device to resemble the appellant's Pelita logo and further utilising a similar color scheme as that employed by the appellant is such that prospective consumers may be misled into believing that an association exists between the appellant and the respondents.

[42] The respondent averred that their trademark has been in use since 2005, 2006 and 2007, generating sales of RM1,326,311 (para 7 respondent's SD). In respect of this issue, however, I find that this allegation by the respondent is not substantiated by credible evidence for the court's consideration.

[43] The respondent also contended that they had used the mark in an exhibition in Mid Valley, and three other events (see exh 'PDE5' to the respondent's SD). On this point, the appellant contended that not one iota of proof has been furnished by the respondent. In this regard, I agree that the photographs of which only the first page and second and 7, 8, 9, 10 show four photographs of the purported use of a trademark which does not resemble the respondent's trademark application.

[44] Referring to the case of *Annabel's (Berkeley Square) Ltd v G Schock (trading as Annabel's Escort Agency)* [1972] RPC 838, the court in *Syarikat Zamani Hj Tamin*'s case held that:

> In ascertaining whether misrepresentation is present, the court must always be mindful of the requirement that a likelihood of association could arise out of the express or colourable activities of the defendants when compared to that of the

plaintiffs. And there is, according to *Annabel's (Berkeley Square) Ltd v G Schock (trading as Annabel's Escort Agency)*, no necessity to prove actual association.

The facts in Annabel's are as follows. The plaintiffs there were the proprietors of the well known Annabel's club in London. The defendants subsequent to the date of operation of the plaintiffs' Annabel's club set up an escort agency under the name of 'Annabel's Escort Agency'. The plaintiffs applied and the High Court granted an interlocutory injunction in favour of the plaintiffs. Aggrieved, the defendants appealed to the Court of Appeal. Russell LJ gave judgment in favour of the plaintiffs who owned the nightclub.

[45] *Annabel*'s case laid down the following principles of law:

(a) a likelihood of confusion as opposed to actual confusion would be sufficient; and

(b) passing off could be sustained if there was a possibility of association giving rise to actual or possibility of confusion and deception.

[46] Thus, in the light of the above authorities, the plaintiffs need not prove actual confusion. In the words of the court in *Syarikat Zamani Hj Tamin*'s case mere proof of possibility of association would be sufficient.

[47] I have seen the marks of both the appellant's and that of the respondent's and in my view they are confusing and deceptive similar.

[48] In the present case I accept the appellant's submission that it has exhibited sufficient proof of its renown in the Pelita trademarks and get up for restaurant services. It is logical that the appellant's Nasi Kandar Restaurants and curry and spice powders go hand in glove. In fact, all of the respondent's goods are used in the appellant's restaurants. It can be logically assumed that consumers who frequent the appellant's restaurants will also be consumers for spices and curry powders and they may be deceived and confused into believing that the respondent's goods is linked to the appellant's goods business, trademarks and or restaurants.

DAMAGES

[49] I now turn to consider the third element in the tort of passing off. Authorities have shown that the plaintiff in a passing off action does not have to prove that he has actually suffered damage by way of loss of business or in any other way. A probability is enough, so long as the damage is to him in his trade or business, in other words, it is damage to his goodwill in respect of that trade or business (see *HP Bulmer Ltd & Showerings Ltd v J Bollinger SA & Champagne*

Lanson Pere et Fils [1976] RPC 79 at p 95 (CA) cited with approval in *The Scotch Whisky Association v Ewein Winery (M) Sdn Bhd* [1999] 6 MLJ 280 at p 302).

[50] In this present case, in my view there will be damage to the goodwill and reputation of the appellant as the appellant would lose exclusivity over its well established trademark which is distinctive of the appellant. If the respondent's produced products do not meet the quality of the appellant's products, such lack of quality would be attributable to the appellant and thereby resulting in loss to the latter's goodwill and reputation (*Yong Sze Fun & Anor (t/a Perindustrian Makanan & Minuman Layang-Layang) v Syarikat Zamani Hj Tamin Sdn Bhd & Anor* [2012] 1 MLJ 585 (CA) followed).

[51] I have no hesitation in accepting the appellant's contention that the respondents could not claim to have no knowledge of the appellant's business and or reputation and or trademarks and get up. This is because the respondent's own premises is located a stone's throw away (less than 1km away) from the appellant's first ever restaurant opened in 1995 in Penang, based on the following grounds:

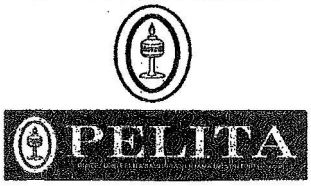
(a) see para 14 notice and grounds of opposition;

(b) see exh 'KKS9' to the appellant's SD1 — a copy of a printout from google maps application on the internet at www.googlemaps.com which shows the location of the appellant's restaurant and the respondent's factory; and

(c) please see para 28 appellant's SD2.

[52] Thus, the irresistible logical conclusion that can be drawn from the respondent's actions is that the respondent is attempting to ride on the goodwill and reputation of the appellant. They are not the bona fide owners of the Pelita trademarks.

[53] In my view, from a perusal of the comparison table below, that the respondent's action are calculated to pass off their products as and for the appellant's products.

Appellant's PELITA Logo in use since the year 1995	
Respondent's Trademark – applied for in Trademark Application No. No. 04001902	

Respondents similar/identical mark (See page 9 of **Exhibit "PDE-5"** to Respondent's SD)	
Respondents declared use of Appellant's PELITA word mark prominently on product packaging (See page 9 of **Exhibit "PDE-5"** to Respondent's SD)	

CONCLUSION

[54] Based on the foregoing reasons, the appellant's appeal is allowed. I further award costs of RM10,000 to the appellant.

Appeal allowed with costs of RM10,000.

Reported by Kohila Nesan